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*Before the
Federal Communications Commission
Washington, D.C.*

OCT 13 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)	
Equal Access and Interconnection Obligations)	CC Docket No. 94-54
Pertaining to)	RM-8012
Commercial Mobile Radio Services)	

REPLY COMMENTS OF
CELLULAR COMMUNICATIONS OF PUERTO RICO, INC.

Cellular Communications of Puerto Rico, Inc. ("CCPR"), submits these Reply Comments in response to the comments filed by other parties in this proceeding. In its Notice of Proposed Rulemaking ("NPRM"), the Commission seeks comments from interested parties on whether the public interest requires the imposition of equal access obligations upon commercial mobile radio service ("CMRS") providers and what type of rules should govern the interconnection of CMRS to local exchange carriers ("LECs") and each other.

CCPR, through its subsidiaries, is licensed by the Commission to operate nonwireline cellular systems in all five MSAs and five of the seven RSAs in the Commonwealth of Puerto Rico. Additionally, CCPR's affiliates hold interim operating authority to provide cellular service in another Puerto Rico RSA, the

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license for the nonwireline cellular carrier in the Virgin Islands 1 RSA, and licenses to provide paging services in Puerto Rico. Consequently, CCPR is an experienced CMRS provider that will be directly affected by the outcome of the Commission's rulemaking.

1. **Equal Access Should not be Mandatory for all CMRS Providers.**

CCPR believes that the imposition of equal access requirements on nonwireline cellular carriers of CCPR's size or smaller would be inappropriate and unwarranted and would have disastrous consequences for carriers and their customers. CCPR supports comments filed by the majority of parties in this rulemaking, including Horizon Cellular Telephone Co. and Vanguard Cellular Systems, Inc., who have cited the particularly disparate and egregious impact that mandated equal access would have on small- and medium-sized cellular carriers.

In CCPR's case, following the initial balloting and allocation procedures and modifications to its software, the maintenance of equal access to all interested interexchange carriers ("IXCs") would result in monthly costs of between \$13,000 and \$15,000, which would be passed on to participating IXCs and ultimately to CCPR's subscribers. These increased costs would represent from 26% to 30% of the \$50,000 per month that CCPR's mobile service customers spend on long distance service. CCPR submits that the increased competition in interexchange

services would not likely reduce prices by over 25% and therefore would not result in a break-even situation. Consequently, long distance rates would increase for CCPR's customers as a result of mandated equal access.

This forced increase in long distance rates would be a competitive disaster for CCPR. The largest portion of the cost of maintaining equal access service would be payments made to the Puerto Rico Telephone Company ("PRTC") for additional trunks to connect CCPR's mobile telephone switching office ("MTSO") with IXC points of presence ("POPs") within Puerto Rico. CCPR's competitor, the wireline cellular carrier in Puerto Rico, a subsidiary of PRTC, has its MTSO collocated with its major wire center and the ICX POPs and therefore does not need to add additional trunk lines. Consequently, mandated equal access would increase the costs of long distance calls for CCPR, but not its competitor.

The imposition of equal access requirements for cellular systems in Puerto Rico and other similar markets will not introduce significantly greater consumer choice. The CMRS market in the Commonwealth is already competitive with two cellular carriers providing two-way mobile voice and data services. The competition will only increase as Personal Communications Service providers enter the CMRS market. If a subscriber finds that equal access is an important feature, he or she may choose a CMRS carrier offering it. If enough subscribers "vote with their checkbooks" for equal access, the force of competition would

require CCPR to offer the feature as well. At this point, CCPR's subscribers have generally been pleased with the prices and quality of the interexchange service provided by CCPR's choice of carrier or have been able to fulfill their needs by gaining access to other carriers through 10-XXX or 1-800 calling services.

CCPR takes particular exception to comments filed by its competitor, PRTC. As the monopoly provider of telecommunications trunk transport in the Commonwealth, it has much to gain from rules that would require CCPR to purchase additional trunks, while PRTC's existing collocation arrangement means that PRTC's costs do not increase significantly through the provision of equal access.

2. Interconnection Agreements Should be Based on Contracts.

CCPR also notes that PRTC recommends the use of tariffs to replace good faith negotiation and resulting contracts as the basis for rates and charges concerning the interstate portion of interconnection between LECs and CMRS providers. Once more, PRTC's advocacy of this position is an attempt to capitalize on its existing monopoly position.

Although the Commission's rules and policies cover only the interstate portion of interconnection, in practical application, the same trunks and other facilities are used to connect a CMRS subscriber's traffic, regardless of its


intrastate or interstate destination. Consequently, if interstate access remains contract-based, intrastate access arrangements will follow.

PRTC has the singular advantage of being a wireline cellular carrier, the monopoly local exchange carrier, partial owner of Telefonica Larga Distancia de Puerto Rico, an IXC, and the state telecommunications authority. Thus, if intrastate interconnection were relegated to tariff, PRTC would be in the position of reviewing its own tariff filings, with an inherent disposition toward favoring itself, and CCPR's only avenue for complaint would be to its principal competitor. CCPR strongly urges the Commission to maintain its current position of requiring LECs to enter into good faith negotiations regarding interconnection with CMRS carriers. Currently, the only restriction on PRTC's ability to dictate self-serving terms and conditions for mobile service interconnection in the Commonwealth is the Commission's requirement for good faith negotiation.

Tariffing may be an effective mechanism for avoiding unreasonable discrimination, but only in the presence of an independent and impartial tariff review authority. Unless the Commission wishes to step in when states do not provide such a forum, it should preserve its requirement of good faith negotiations.

CCPR therefore requests that the Commission not mandate equal access for CMRS carriers and continue its policy of requiring interconnection contracts negotiated in good faith.

Respectfully submitted,
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